Oracle Fusion Cloud Human Resources

How do I set up HR and payroll for India?

FA Latest

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Contents

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1 Set up HR and payroll for India

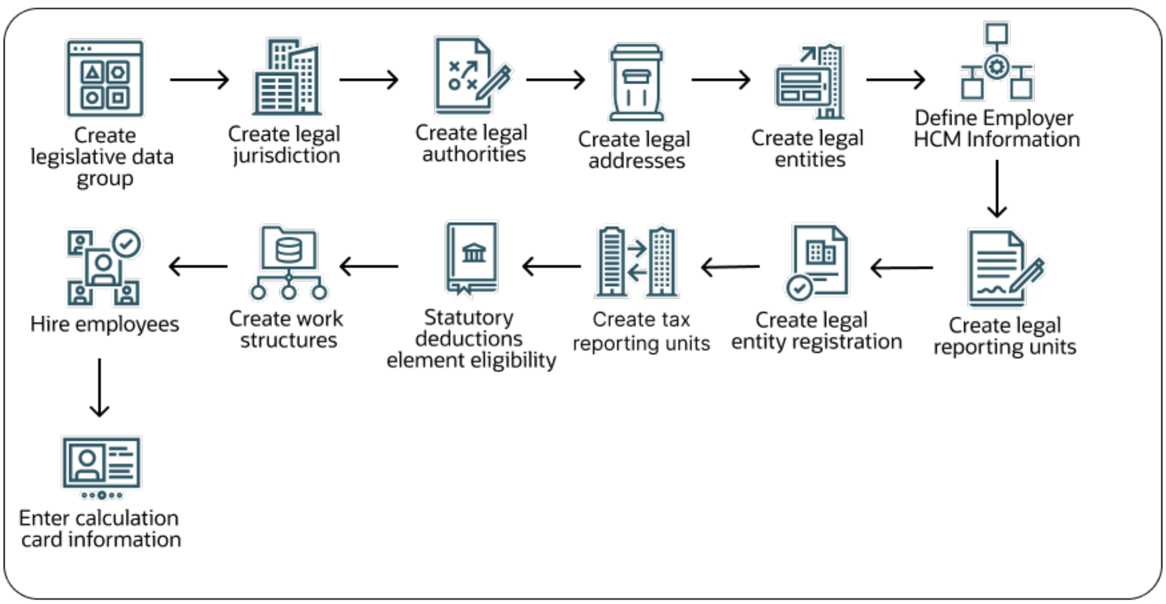
Overview

Use this playbook to understand the setup and configuration tasks required for Oracle Fusion Cloud Human Resources for India.

This playbook covers the task lists and tasks for these areas:

- Organizational structures that you need to define to manage HR processes.
- India-specific data that needs to be provided.
- HR processes that you can run for India.
- The information required to support a full payroll system.
- Data definition required to hire and maintain Indian employees.

Here's the HR and Payroll setup process flow.

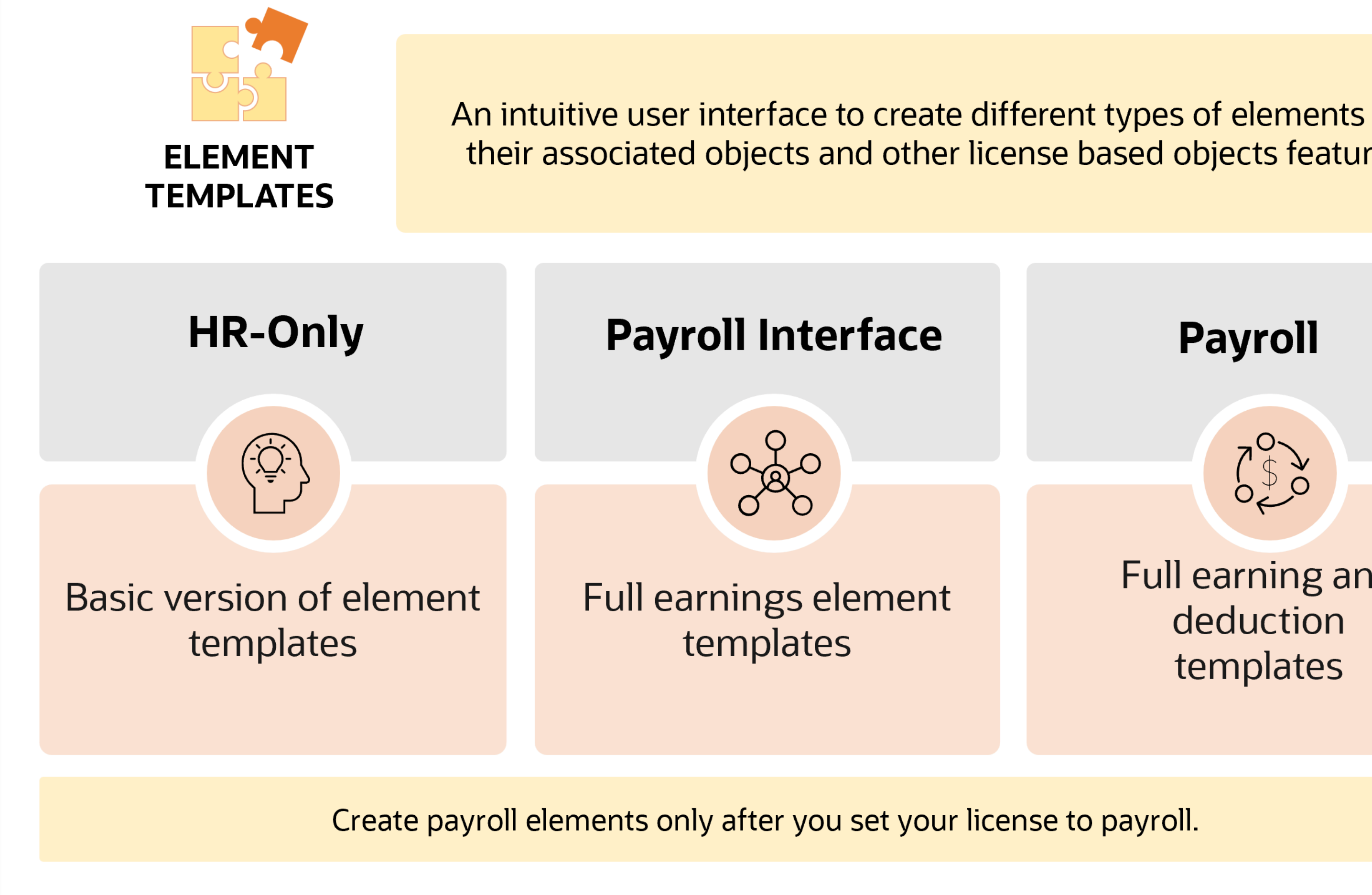


License Details

The features of the element templates depend on the type of license you have. There are three licenses that you can use to access the element templates:

- HR-Only
- Payroll Interface

- Payroll



You need to select payroll if you plan to use the full HR and payroll functionality for India localization.

Country Extensions

Create an Implementation Project

You need to define the setup tasks for an organization hierarchy in an implementation project.

Use the Application Implementation Consultant role **ORA_PAY_APPLICATION_IMPLEMENTATION_CONSULTANT_JOB** to access the Workforce Deployment offerings in the Setup and Maintenance.

To create an implementation project:

> **Note:** **Navigator** > **My Enterprise** > **Setup and Maintenance** > **Manage Implementation Projects** > **Create**

1. Sign in to the Oracle Fusion application using a role that has the profile of a super user and privileges to create all organizational structures.
2. On the Create Implementation Project page, provide a name and start date for your project and click **Next**.
3. Select **Workforce Deployment** as the offering, as this parent project contains all the tasks to set up HCM organizational structures.
4. For Payroll implementations, further select **Payroll** .
5. Save and open the project.

Results:

This parent project contains all the tasks to set up HCM organizational structures.

Verifying Geographies

Geography information is used in Oracle HCM Cloud Application for address entry and validation, and geography-based business processes, such as territory management and shipping.

There are no predefined geographies for India and you must define them yourself. The recommended geography structure for India is:

- Country
- State
- City
- Postal Code

After loading geography data, you can verify whether geography data has been uploaded successfully from the Manage Geography Hierarchy task.

Verify Geography Data

> **Note: Navigator** > **My Client Groups** > **Tasks** > **Search** > **Manage Geographies**

1. Search for the geography code starting with **IN**.
2. Select each type of geography data you want to verify:
   a. Address Cleansing Defined
   b. Structure Defined
   c. Hierarchy Defined
   d. Validation defined
3. Select **Manage Geography Hierarchy** in **Actions** to verify the information on each page and make any necessary changes.
4. Save the changes and close the task.

Address Validation Settings

You can enable or disable Pin Code validation by managing address validation settings for the India legislation.

The address style is defaulted and enforced to **Supplemental taxation and reporting address** for India. You can't change the default address style.

Here are the steps to set the product extension and address validation settings:

> **Note:** **Navigator** > **My Client Groups** > **Payroll** > **Features by Country or Territory**

1. On the **Features by Country or Territory** page, search for **India** in the search box to find the correct row.
2. Edit the **Selected Extension** list of values to set the correct extension you're using.
3. Select **Address validation** to enforce pin code validation.
4. Save the changes.

Enterprise Structures

Enterprise Structures

You need to design and model your enterprise structures to fulfill your legal and management objectives.

The key decisions that impact your implementation of Oracle Fusion Applications are affected by these factors:

- Industry
- Business unit requirements for autonomy
- Business and accounting policies
- Business functions performed by business units and optionally, centralized in shared service centers
- Locations of facilities

Every enterprise has three fundamental structures that describe its operations and provide a basis for reporting:

Structure	Description
Legal	In Oracle Fusion Applications, the legal structure is implemented using legal entities. A legally recognized entity can own and trade assets and employ people in the jurisdiction in which the entity is registered. Legal entities are required to: • Account for statutory and external reporting. • Comply with legislation and regulations. • Pay income and transaction taxes.
Managerial	In Oracle Fusion Applications, the management structure is implemented using divisions, subdivisions, lines of business, strategic business units, profit, and cost centers. You can segregate multiple businesses by their strategic objectives and measure their results.
Functional	In Oracle Fusion Applications, the functional structure is implemented using departments and organizations, including sales, marketing, project, cost, and inventory organizations.

These structures are implemented using the chart of accounts and organization hierarchies. It is recommended that you start with one primary structure that organizes your business into these categories and align them with your strategic objectives. You can implement and use alternative hierarchies for reporting.

Legislative Data Groups

You need to map the Legislative Data Group to a Payroll Statutory Unit so that all payroll objects such as elements, payrolls, payment methods, and more, are created within the context of an LDG.

Legislative Data Groups (LDG) are used to determine the legislation for Legal Employers. LDG is a combination of a legislation, currency, and costing structure. LDGs are a means of partitioning payroll and related data. At least one LDG is required for each country where the enterprise operates. Each LDG is associated with one or more payroll statutory units. Each payroll statutory unit can belong to only one LDG.
Payroll related information, such as elements, is organized by LDG. Each legislative data group:

- Marks a legislation in which payroll is processed.
- Is associated with a legislative code, currency, and its own cost allocation key flexfield structure.
- Is a boundary that can share the same set up and still comply with the local laws.
- Can span many jurisdictions as long as they're within one country.
- Can contain many legal entities that act as payroll statutory units.

Create a Legislative Data Group

Here's how you can define a legislative data group:

> **Note: Setup and Maintenance** > **Tasks** > **Search** > **Manage Legislative Data Groups**

1. Click **Create**.
2. Enter the following details in the **Create Legislative Data Group** page:

Field	Description
Name	A unique name for the Legislative Data Group you are creating.
Country	Select **India**.
Currency	Indian Rupee
Cost Allocation Structure	Select the cost structure, which you defined before. The cost structure is used to cost payroll payments and deductions.

3. Submit and confirm the LDG details.

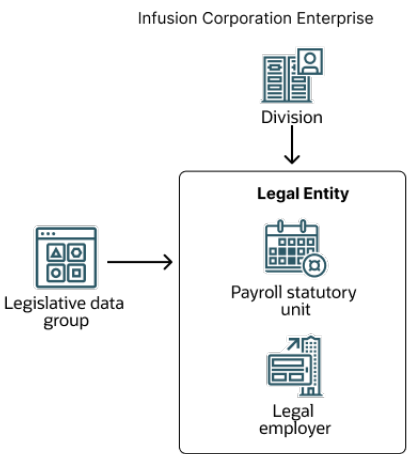
Examples of HCM Organization Models

Let's look at examples of different models for organizations in India for Human Capital Management (HCM). Each example includes an enterprise, legal entity – legal employer or payroll statutory unit (PSU) and tax reportimg unit (TRU), department, and more.

Single Company with Single Payroll Statutory Unit and Single Tax Reporting Unit

Let's look at an example of InFusion India, a registered company as per Registrar of Companies Act at New Delhi, with a head office and multiple departments (HR, Marketing & Finance) in New Delhi. The company is registered with income tax with a single permanent account number (PAN) and tax account number (TAN). It has separate (single) registration with Professional Tax, Provident Fund, Employee State Insurance Shops or Establishment acts and submits separate statutory reports at the end of the year. The company has a single payroll, with full time employees.

Here's a simple configuration where the enterprise has only one legal entity, which is both a payroll statutory unit and a legal employer.



Setup for this organizational model involves these steps:

1. Define the Enterprise and Business Unit classification for InFusion India.
2. Define a single Legislative Data Group for InFusion India.
3. Define the Legal Entity, Legal Employer - Select the legal employer attribute in Legal Entity (Registered company is the legal entity and hence the legal employer.)
4. Create Reporting Establishment – InFusion India and its attributes (for Establishment) in Legal Entities form (XLE).
5. Department: Set up Head Office, HR, Marketing/Sales and Finance using Department Classification in the Business Unit.
6. Set the Legal Reporting Unit Classification to Tax Reporting Unit on the Manage Legal Reporting Unit HCM Information page.
7. Set the Payroll Statutory Unit attribute in Legal Entity. (In case of IN, PSU is equivalent to Legal Employer).

8. Define separate tax reporting units needed to calculate payroll deductions, such as:

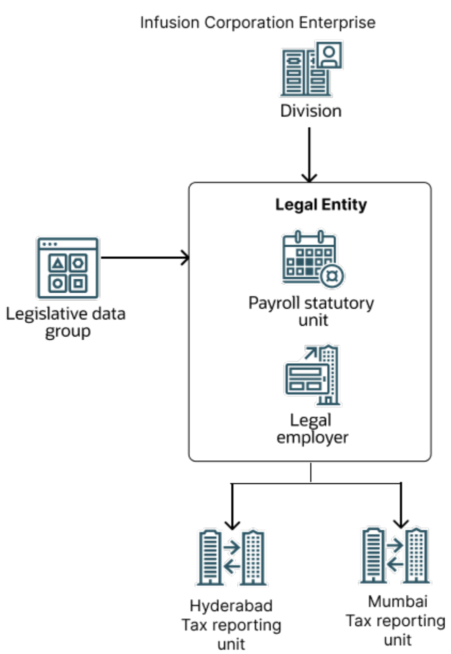
Tax Reporting Units	Description
Income Tax (IT)	Required for calculating and reporting the employee's income tax
Provident Fund (PF)	Required for calculating and reporting the employee's provident fund contribution
Professional Tax (PT)	Required for calculating and reporting the professional tax contribution
Employee State Insurance (ESI)	Required for calculating and reporting the employee state insurance contribution
Labour Welfare Fund (LWF)	Required for calculating and reporting the labour welfare fund contribution
National Pension Scheme (NPS)	Required for calculating and reporting the contribution toward the national pension scheme.

Single Company with Single Payroll Statutory Unit and Multiple Tax Reporting Units

Let's look at an example of InFusion Mumbai, a registered company as per Registrar of Companies Act at Mumbai, with a head office at Mumbai. The company has multiple reporting establishments in different states with separate TRUs; sales division at Mumbai, Maharashtra state, and operations department at Hyderabad, Telangana state. The company is registered with income tax with a permanent account number (PAN). It has two separate registrations with Professional Tax, Provident Fund, Employee State Insurance Shops/Establishment acts for each of the sales and operations division.

The setup for this organizational model involves the same steps as in the previous example. In addition, you must create TRUs for the Mumbai and Hyderabad and set up registration information. Each TRU should have a set of registrations for each type of deduction that reports to a different authority.

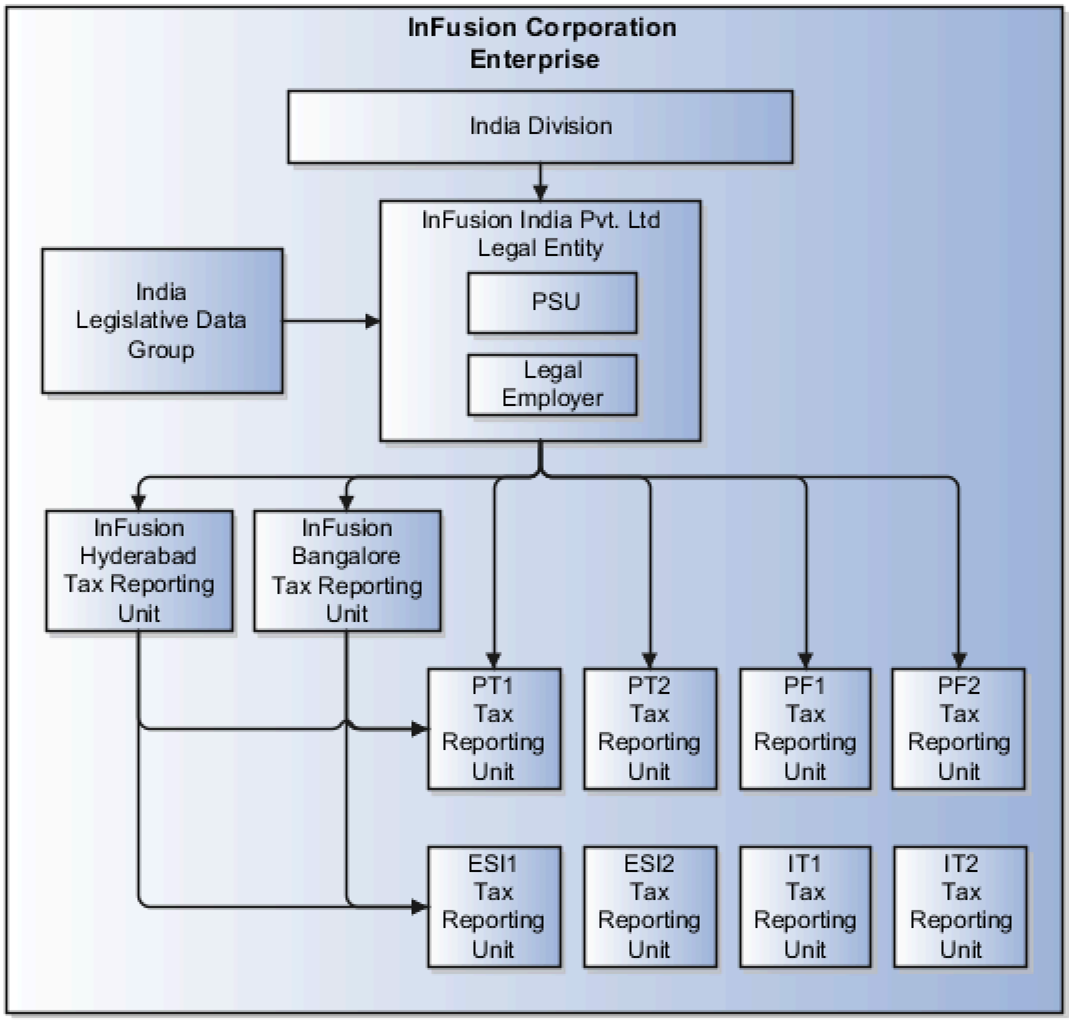
For example, the Mumbai, and Hyderabad TRUs would each have separate registrations for income tax, PF, PT, ESI, LWF, and so on. Here's a simple illustration for this configuration.



Group Company with Single PSU and Multiple TRUs

Let's look at an example of InFusion Delhi with multiple legal employers in a single PSU. The payroll data is in one PSU, but tax, PHF, and social insurance registrations are at multiple locations. InFusion Delhi includes three legal entities: the main company in New Delhi, a sales and marketing company in Mumbai, and a development and support company in Hyderabad. The main New Delhi office is also a PSU. The Mumbai and Hyderabad companies handle IT, PF, PT, ESI, LWF, and NPS independently, and each reports to its local income tax office, PF, PT, ESI, LWF, and NPS authorities separately.

This figure illustrates an enterprise with one legal entity that's a payroll statutory unit and a legal employer. The tax reporting units are independent from the legal employer.



When an employee is transferred from InFusion Mumbai to InFusion Delhi , they are terminated in InFusion Mumbai and rehired in InFusion Delhi.

Jurisdictions and Legal Authorities

Legal Jurisdictions

You need to define the legal jurisdiction for India.

A legal jurisdiction is a physical territory (a group of countries, country, state, county, parish, and so on), which comes in the purview of a legal authority within a specific type of legislation.
An example of a legal jurisdiction in India is Company Law.

> **Note:** India Company Law and India Income Tax are the predefined Legal Jurisdictions available for India.

To define legal jurisdictions:

> **Note: Manage Implementation Task List** > **Manage Legal Jurisdictions**

1. Click **Create** and enter the details.
2.

Field	Description
Name	A unique name for the legal jurisdiction you're creating. Example: Professional Tax or Provident Fund.
Territory	Select India with the **Geography type** as country.
Legislative Category	Select the legislative category from the list such as Labour Welfare Fund, Professional Tax, or Provident Fund.
Identifying	Select No. The **Identifying** jurisdiction is automatically associated with the Legal Entity. **Note:** India Company Law is the predefined Identifying Jurisdiction that's available in India. You should not create any other jurisdiction as Identifying jurisdiction for India.
Legal Entity Registration Code	This is the code with which the legal entity is registered with the jurisdiction. Example: Permanent Account Number for income tax, NPS Registration Number.
Legal Reporting Unit Registration Code	Select the appropriate **Legal Reporting Unit Registration Code**. The registration numbers predefined for India localization are: ◦ ESI Employer Number ◦ LWF Employer Number ◦ PF Establishment Number

Field	Description
	◦ PT Registration Number ◦ NPS Registration Number ◦ TAN Number. **Note:** India Income Tax is the predefined jurisdiction for India. You don't need to define the jurisdiction with Legal Reporting Unit Registration Code as TAN Number.

3. Save the legal jurisdiction details.

Legal Authorities

A legal authority is a government or legal body that's charged with such powers as making laws or levying and collecting taxes.

A legal authority in HCM is used to set up the agencies where remittances are made and payroll information is reported. For India, legal authorities can be the Ministry of Corporate Affairs, Income Tax Department, Employee Provident Fund organization, Employee State Insurance Corporation.
Here's how you can define legal authorities:

Note: Manage Implementation Task List > **Manage Legal Authorities**

1. Click **Create**.
2. Enter the details as provided:

Field	Description
Legal Authority	Example: Employee Provident Fund Organization
Tax Authority Type	Select from one of the following types: a. Collecting b. Reporting c. Collecting and Reporting. The Employee Provident Fund Organization is of type **Collecting and Reporting**.

3. Save the legal authorities details.

4. To add legislative categories to a legal authority:
    a. Click **Create** in Legislative Category.
    b. Select the **Legislative Category** from the list, such as Provident Fund for the Employee Provident Fund Organization.
    c. Save the legislative category.

    > **Note:** You can add more than one legislative category to a legal authority.

Legal Addresses

Legal Address is the address registered in the Identifying Jurisdiction at registration time and is used to help identify the Legal Entity.

This address will be printed on legal documents when required. A legal address is required when creating a legal entity. Here's how you can create legal addresses for a legal authority:

> **Note: Manage Implementation Task List** > **Manage Legal Addresses**

1. Click **Create**.
2. Choose **India** as the country and complete the details for state, district, city, pin code, address, temporary address, and time zone.
3. Save the legal address for the legal authority.

    > **Note:** You can create more than one address with different purposes for a legal authority. For example, one address for general correspondence and the other for tax remittances.

Legal Entities

Define Legal Entities

When you set up Legal Entities, you can identify them as Legal Employers and Payroll Statutory Units, which makes them available for use in HCM.

Depending on how your organization is structured, you might have a single legal entity that's both a legal employer and a payroll statutory unit, or you might have multiple legal entities, legal employers, and payroll statutory units.

Payroll Statutory Units enable you to group legal employers so that you can perform statutory calculations, such as individual income tax calculations, at a higher level. For example, if multiple legal employers belong to the same payroll statutory unit and an employee receives income from more than one employer within a month, you can calculate the person’s individual income tax on the aggregated income. Or, if each of the legal employers belongs to a separate payroll statutory unit, then the person’s individual income tax is calculated separately for each employer.

> **Note:** For India, if there are multiple legal employers that share the tax account number (TAN), its recommended to have these legal employers within a single PSU rather than in separate PSUs. Also, if the payroll processing is centrally done for all the legal employers, its recommended to group the legal employers in a single PSU. For every PSU in India Payroll, a separate payroll relationship is created.

Use the following steps to define a Legal Entity in HCM:

> **Note: Manage Implementation Task List** > **Manage Legal Entity**

1. Click **Go to Task**.
2. In the Select Scope window, select **Create New** in the Legal Entity field. Click **Apply and Go to Task**.
3. Enter the details:

Field	Description
Country	Select the country as India.
Legal Entity	Enter the name of the legal entity.
Legal Entity Identifier	Enter a unique number to identify the legal entity.
Start Date End Date	Enter the start and end dates.
Legal Employer and **Payroll Statutory Unit**	
Select the **Legal Employer** and the **Payroll Statutory Unit** checkboxes based on one of the *organization models* given here.	
a. If there's a one to one mapping between the legal employer and PSU, select both the **Payroll Statutory Unit** and **Legal Employer** checkboxes, if the Legal Entity employs people. b. If there are multiple legal employers within a single PSU that have the same Tax Account Numbers (TAN): - Select one legal employer as a PSU by selecting both the **Payroll Statutory Unit** and **Legal Employer** checkboxes. - For all the subsequent legal employers, you need to select only the Legal employer checkbox and select the PSU which you just created from the list of values. You need not select the **Payroll Statutory Unit** checkbox. c. If there are multiple legal employers that have different tax account numbers, you need to create separate PSUs for each entity. - Select both the **Payroll Statutory unit** and **Legal Employer** checkboxes. d. If there are multiple legal employers that have the same TAN, multiple PSUs, and you need to perform payroll processing centrally, all the PSUs need to be merged to a single PSU. For this scenario, you need to log an SR or contact Oracle Support for merging the PSUs.	
Identifying Jurisdiction	The Identifying Jurisdiction is automatically displayed. The India Company Law is a predefined Identifying Jurisdiction for India.
Legal Address	Select the Legal Address defined earlier.
Place of Registration	Enter the Place of Registration (Optional)
Permanent Account Number	Enter the Permanent Account Number.
Legal Reporting Unit Registration Number	Enter the Legal Reporting Unit Registration Number.

4. Save and close your work.

> **Note:** What constitutes a legal employer varies from country to country, but this must not be confused with a tax reporting unit, which is primarily used to report tax information. A legal employer is the organization to which the contractual agreement exists with the person. Usually, a legal employer is also a payroll statutory unit, but a payroll statutory unit can represent multiple legal employers. In HCM Cloud Application, the payroll statutory unit is stored on the Payroll Payment Relationship. A legal entity is also a legal reporting unit unless there's a specific reporting requirement with registrations, which aren't same as that of legal entity.

Define Legal Entities HCM Information

You need to define HCM information for the legal entity, considering the context in which its used. A legal entity can be a legal employer and/or a payroll statutory unit.

This includes defining workday information, legal employer information and the mapping of the payroll statutory unit to a legislative data group.

Before you start

You've to add the required legal entities to scope before editing them using scope selection. This also helps you create or manage other entities like legal reporting units within the context of a legal entity.

> **Note:** **Navigator** > **Setup and Maintenance** > **Tasks** > **Search** > **Manage Legal Entity** > **Go To Task** > **Select and Add**

Select the **Legal Entity** you've created earlier and set the scope for a legal entity in HCM.

> **Note:** This step is required when you're defining the scope for the first time. The legal entity can be directly added to scope in the implementation project in the next scope selections.

Use the following steps to define HCM information for your legal entity:

> **Note:** **Manage Implementation Task List** > **Manage Legal Entity HCM Information**

1. In the **Legal Employer** tab, enter the legal employer information.

   This tab is enabled if you'd selected the **Legal Employer** checkbox, while creating the legal entity.

Field	Description
Workday	Enter Workday information such as the start and end times of work, standard working hours and frequency (optional).
Salary Level	Choose the level at which the salary information is assigned: term or assignment level.
Worker Number Generation	Select the Worker Number Generation method. Select whether to allow employment terms to be overridden at the assignment level or no.

Field	Description
People Group Flexfield Structure	Select the People Group flexfield structure (previously defined) that suits your legal employer.
Minimum Working Age **Minimum Retirement Age** **Maximum Retirement Age** **Minimum Age of a Minor**	Enter age related information for employment in these fields. The minimum age of a minor is optional.
Employment Model	Select the two or three-tier employment model with a single assignment or multiple assignments. See the online help and documentation for more information about the employment model and the critical choices you've to make.
Legal Employer Information	Enter the following: ◦ Registration Number ◦ Corporate Identity Number ◦ Base Business Number
Notice Period	Define notice period details of the different employee categories.
Employer Representative	Select the employer representative.

2. To define HCM Information for Payroll Statutory Unit:

   Select the **Payroll Statutory Unit** tab and enter the following information:

   This tab is enabled if the Payroll Statutory Unit checkbox is selected when creating the legal entity.

Field	Description
Legislative Data Group	Select the LDG you defined earlier in the **Associated Legislative Data Group** list of values. **Note:** You need to map the legislative data group to a payroll statutory unit so that all payroll objects like elements, payrolls, payment methods, are created within the context of a legislative data group.
Fiscal Year Start	Enter the date.

3. Save the PSU information.
4. Click **Payroll Statutory Unit Information** to enter India-specific gratuity information.

Define Legal Entity Registrations

Legal Entity Registrations connect the legal entities to the legal authorities.

When you create a legal entity, a registration gets created automatically for the identifying jurisdiction that you select. If the legal entity will interact with other legal authorities, you need to create more registrations as appropriate.

To define the legal entity registrations:

> **Note: Manage Implementation Task List** > **Manage Legal Entity Registrations**

1. On the scope selection window, click **Select and Add**. Search for and select the legal entity you created.

   The Manage Registrations page displays the registrations for the legal entity.

   > **Note:** When you create a legal entity based on the registration details, a default registration is created automatically for the India Social Insurance jurisdiction.

2. Click **Create** to add a registration and enter the following information:

Field	Description
Jurisdiction	Select a **Jurisdiction**. The **Territory** field for India is set automatically.
Registered Address	Select the **Registered Address**.
Issuing Legal Authority	Select the **Issuing Legal Authority** from the list of legal authorities available for the jurisdiction and the legal authority address.

3. Save the legal entity registration details and proceed.

Legal Entity Registrations for India

Each legal reporting unit (office) in India needs to register with the legal authorities in these legislative categories:

- India Income Tax
- Professional Tax
- Employee Provident Fund
- Employee State Insurance
- Labour Welfare Fund
- National Pension Scheme

Here are the details of the registrations required for India:

Name	Territory	Legislative Category	Legal Entity Registration Code	Legal Reporting Unit Registration Code
Company Law	India	Company Law	Permanent Account Number	Legal Reporting Unit Registration Number
India Income Tax	India	Income Tax	Permanent Account Number (PAN)	TAN Number
India Professional Tax	City, States of India	Professional Tax (PT)	Legal Entity Registration Number	PT Registration Number
India Provident Fund	India	Provident Fund	Legal Entity Registration Number	PF Establishment Code
India Employee State Insurance	India	Employee State Insurance	Legal Entity Registration Number	ESI Employer Code
India Labour Welfare Fund	State	Labour Welfare Fund	Legal Entity Registration Number	LWF Employer Code
National Pension Scheme	India	National Pension Scheme	Legal Entity Registration Number	NPS Registration Number

Legal Reporting Units

Define Legal Reporting Units and Tax Reporting Units

Legal Reporting Units (LRUs) are the lowest level components of a legal structure that require registration.

You can create a legal reporting unit whenever the legal entity needs to support several registrations of the same kind or same legislative category. The legal reporting unit is created automatically when the legal employer is created. The legal reporting unit (terminology used in Fusion Financials Applications) is known as the Tax Reporting Unit (TRU) in HCM.

Here's how you can define a LRU:

> **Note: Manage Implementation Task List** > **Manage Legal Reporting Unit**

1. Click **Go to Task**.
2. You'll be prompted to either **Select and Add** the Legal Entity created earlier to edit further or **Create New** Legal Reporting Unit:
3. When creating an LRU for Income Tax, select **India** in the **Territory** list of values. For other types of LRUs (PF, PT, ESI and LWF), the territory would typically be one of the states in India.
4. Enter the Name of the **Legal Reporting Unit**, the **Start Date** and **End Date**.

5. The Identifying Jurisdiction for the territory will be displayed by default when the Territory is selected. Select a different jurisdiction if required. For example, when creating a LRU for Income Tax (with India as the territory), you need to change the default jurisdiction **India Company Law** to **India Income Tax**.
6. Enter the **Legal Reporting Unit Registration Number** or the **TAN Number**.

   The field name is different based on the selected jurisdiction.
7. Select the **Legal Address** defined earlier.
8. Optionally choose if this is the **Main Legal Reporting Unit** and associated effective start date.
9. Save the details and proceed.

   Usually a legal entity is a LRU and you don't need to create additional ones. However, you might need to create other LRUs if there's a specific reporting requirement where registrations aren't the same as that of the legal entity.

   You need to add more information for LRUs to choose them as TRUs. To define the legal reporting unit as a TRU:
   a. Select the **Manage Legal Reporting Unit HCM Information** task.
   b. On the Legal Reporting Unit HCM Classification page, select the checkbox **Tax Reporting Unit** to choose the LRU as a TRU, and proceed.
   c. On the Tax Reporting Unit Details page, complete the fields as shown:

Field	Description
Tax Reporting Unit Type	Select the required TRU from the list. **Note:** You need to create separate TRUs for each type: income tax, provident fund, professional tax, employee state insurance, national pension scheme, and labour welfare fund.
Associated Legal Employer	Select the associated legal employer from the list.
Tax Reporting Unit Currency	Select the required currency. For India, its **INR**.

Set Up Tax Reporting Unit for Income Tax

Use a tax reporting unit (TRU) to group workers for tax and social security calculation and reporting.

TRUs are the legal reporting units (LRUs) used in Oracle HCM Cloud for tax reporting purposes. In the Legal Entity Configurator, when you create an LRU that belongs to a Payroll Statutory Unit (PSU), the application automatically creates a TRU in HCM. It associates the TRU with the parent PSU. When you create an LRU that belongs to a Legal Employer (that's not also a PSU), you must select a parent PSU. In this way, TRUs are indirectly associated with a legal employer by association with a PSU. You can configure all the required information for LRUs, referred to as Tax Reporting Units in HCM context, for the Oracle HCM processes.
Here are the steps to set up the income tax TRU:

Note: Manage Implementation Task List > **Manage Legal Reporting Unit HCM Information**

1. Set the scope for this task by selecting the parent Legal Entity and then the Legal Reporting Unit.
2. On the Manage Legal Reporting Unit HCM Information page, select the income tax TRU from the list, and click **Apply and Go To Task**.
3. On the Tax Reporting Unit Details page, select **Correct** option in the **Edit** drop-down list.

4. For the India Income Tax TRU, click **Income Tax** and enter the required information.
    a. In the Investment Declaration section, enter the period within the financial year and the timeline in every month to add the employee's investment declaration information.
    b. In the Tax Regime section, specify the timeline to select the tax regime.
    c. In the Proof Submission section, specify the timeline to submit the tax proofs for the financial year.
    d. In the **Income Tax Basic Information** section, enter the required information:

Field	Description
Ward, Circle, or Range	Indicates the jurisdiction of the income tax assessing officer. This is a number assigned to the assessing officer who would be monitoring your income taxes.
Employer Classification	Select the employer classification from the drop-down list.
Employer or Deductor Information or Division	Specify the deductor information.
Covered by Gratuity Act	Select the required option, **Yes** or **No** if the employer is covered by the Gratuity Act.
Continuous Period of Service for Gratuity	Select the years of employee service in the organization from the list.
LTA Accumulation Period	Select the LTA Accumulation period, which can be 2 years, 4 years, or no accumulation.
TDS Assessment Range	Enter the TDA assessment year. Example: 2025 - 2026
LTA Payment Month	Select the LTA payment month from the list.

    e. In the **Income Tax Form 24Q Information** section, specify all the details for the Form 24Q report:

Field	Description
Employer Classification for Form 24Q	Indicates the deductor category, which can be central government, state government, or private company.
PAO Code	Enter the Pay and Account Office (PAO) code, which is needed if the employer classification is central government, and optional for state government.
DDO Code	Enter the Drawing and Disbursing Office (DDO) Code, required if the employer classification is central government and optional for the state government. You need not specify any value for other deductor types.
PAO Registration Number	Pay and Account Office (PAO) registration number. This is an optional value for central or state government

Field	Description
DDO Registration Number	Drawing and Disbursing Office (DDO) registration number. This is an optional value for central or state government
Ministry Name	Name of the ministry in the central, or state government.
Other Ministry Name	Enter name of other ministry if applicable.
Account Office Identification Number	Enter the unique ID of the income tax account office
GST Number	Indicates the 15 digit Goods and Service Tax(GST) number.
State	Select the Form 24Q state code.

f. In the **Income Tax Representative**, select the **Employer Representative** and the **State** from the list.
g. In the **Income Tax Challan Info** , enter the details of the income tax challan:

Field	Description
Financial Year	Enter the financial year as in the income tax challan.
Quarter of Remittance	Indicates the year quarter for the tax deducted at source (TDS) remittance, which can be Q1 (1st quarter), Q2 (2nd quarter), Q3 (3rd quarter), and Q4 (4th quarter).
Month	Enter the month of the TDS payment.
Payment Date	Enter the date of bank challan transfer.
Challan Number	Enter the serial number on the bank challan.
Bank Name	Enter the name of the bank.
BSR Code	Enter the bank branch code.
Income Tax	Enter the TDS amount.
Surcharge Amount	Enter the tax surcharge value.

Field	Description
TDS Cess	Enter the TDS cess amount.
Interest Amount	Enter the TDS interest amount.
Others	Enter the TDS other charges.
Total Amount	Enter the total tax deposit amount as in the challan (sum of TDS amount, surcharge amount, TDS cess amount, TDS interest and other values).
Cheque/DD No	Enter the payment cheque or demand draft number.
Book Entry	Select **Yes** if the payment is a book entry or No.
Fee Paid under Section 234E	Enter the amount for section 234E for late filing of TDS.
Minor Head of Challan	Enter the value as per Annexure 7.
Nature of Payments	Enter the section code in which the payment is made.
Comments	Enter any comments for reference to the challan.
DDO Serial Number	Enter the unique ID of the drawing and disbursing officer.

h. In the **24Q Receipt Information**, enter the details of the 24Q receipt info:

Field	Description
Financial Year	Enter the financial year of the 24Q receipt.
Quarter of Remittance	Indicates the year quarter for the tax deducted at source (TDS) remittance, which can be Q1 (1st quarter), Q2 (2nd quarter), Q3 (3rd quarter), and Q4 (4th quarter).
Return Type	Specify the return type - regular or correction.
Token Number	Specify the token number of previous regular statement (Form 24Q).

Field	Description
Status	Indicates the status of the submitted returns for the employer's reference.

i. Click **Submit**.

5. Submit the income tax TRU information.

Set Up Tax Reporting Unit for Provident Fund

Use the Manage Legal Reporting Unit HCM Information task to set up the tax reporting unit (TRU) for provident fund.

Here are the sequence of steps to set up the TRU for the provident fund component:

> **Note: Manage Implementation Project List** > **Manage Legal Reporting Unit HCM Information**

1. Set the scope for this task by selecting the parent Legal Entity and then the Legal Reporting Unit.
2. On the Manage Legal Reporting Unit HCM Information page, select the provident fund TRU and click **Apply and Go To Task**.
3. Edit the tax reporting unit of type Provident Fund by selecting the **Correct** mode.
4. Complete the relevant information:
    a. In the **Provident Fund Basic Information**, complete the fields as shown below:

Field	Description
Business Number	Specify the business number for the employer PF.
Base Business Number	Specify the base business number.
Office Type	Select the office type such as regional office, or head office.
Trust Classification	Trust Classification helps to identify the supported trust for provident fund computation. The following trust types are available to configure at organization level. - **Un-Exempted** - Attached with EPFO and follows the instruction and scheme provided by Provident Fund Organization - **Exempted** - Company Own Trust maintains the employee and employer contribution, which abides to the EPFO scheme and policies, only EPS is contributed to EPFO. - **Excluded** - Excluded from PF contribution
Industry Classification	Specify the type of classification from the list.
Recognized Provident Fund	Select the recognized provident fund from the list.

Field	Description
EDLI Coverage	EDLI coverage would indicate the organization supports EDLI contribution.
Business Nature	Specify the business nature.
Override Employee PF Contribution Percentage	Enter the override percentage for the employee PF contribution, if required. If blank, the statutory employee PF contribution percentage is used.
Override Employer PF Contribution Percentage	Enter the override percentage for employer PF contribution, if required. If blank, the statutory employer PF contribution percentage is used.
Override Employer EPS Contribution Percentage	Enter the override percentage for the employer EPS contribution, if required.
Override PF Salary Ceiling	Enter the PF Ceiling limit for overriding statutory PF limit.
Exclude EPS Contribution from Taxable Perquisite	Select Yes or No to exclude or include the EPS Contribution from the Taxable perquisite.

Note: You can specify the percentage values for overriding the statutory PF percentages for employee, employer and EPS contributions rates at the PF TRU level. This override percentage can be used only for specific PF TRU organizations.

b. In the **Voluntary Provident Fund Period**, enter the period within the financial year and the timeline in every month to add the employee's volutary provident fund information.
c. In the **Provident Fund Representative Details**, select the Employer Representative from the list of values. The Employer Representative needs to be at supervisory level.
d. In the **Provident Fund Deductee Challan Mapping**, enter the details of the PF deductee challan mapping:

Field	Description
Financial Year	Enter the financial year of the PF Deductee Challan.
Month	Add the month for the PF Deductee challan.
Payment Date	Specify the payment date.
Challan Number	Specify the PF Deductee Challan number.

Field	Description
Total Amount	Enter the total amount.
Comments	Add any comments if more information is required.

e. Submit the PF TRU details.

Set Up Tax Reporting Unit for Professional Tax

Use the Manage Legal Reporting Unit HCM Information task to set up the TRU for Professional Tax.

To set up the TRU for the professional tax component:

Note: Manage Implementation Task List > **Search** > **Manage Legal Reporting Unit HCM Information**

1. Set the scope for this task by selecting the parent Legal Entity and then the Legal Reporting Unit.
2. On the Manage Legal Reporting Unit HCM Information page, select the professional tax TRU and click **Apply and Go To Task**.
3. Edit the tax reporting unit of type Professional Tax by selecting the **Correct** mode.
4. Enter the required information:

Field	Description
PT Registration Number	Specify the PT registration number.
State or City	Select the state of city from the list.
Registered Name	Enter the registered name.
Deduction Frequency	Specify the deduction frequency for PT from the list ◦ Monthly ◦ Half yearly ◦ Annually
Month of deduction for the First Half Year	Specify the month for PT deduction for the first half year.
Month of deduction for the Second Half Year	Specify the month for PT deduction for the second half year.
Month of deduction for the Annual Frequency	Specify the month in the financial year, if the professional tax deduction frequency is annual.

Field	Description
Employer Representative	Select an employer representative at supervisory level as the Professional Tax Representative.

Note: You need to create multiple TRUs of type Professional Tax for each state or city.

5. Submit the professional tax TRU details.

Set Up Tax Reporting Unit for Employee State Insurance

Use the Manage Legal Reporting Unit HCM Information task to set up the TRU for Employee State Insurance (ESI).

To set up the tax reporting unit for ESI:

Note: Manage Implementation Task List > **Manage Legal Reporting Unit HCM Information**

1. Set the scope for this task by selecting the parent Legal Entity and then the Legal Reporting Unit, as described in previous tasks.
2. On the Manage Legal Reporting Unit HCM Information page, select the ESI TRU and click **Apply and Go To Task**.
3. On the Tax Reporting Unit Details page, select **Correct** option in **Edit**.
4. For TRU of type India Employee State Insurance, click **Employee State Insurance**:
    a. Complete the employer representative information.
    b. Click **Submit**.
5. Save the ESI TRU information.

Set Up Tax Reporting Unit for Labour Welfare Fund

Use the Manage Legal Reporting Unit HCM Information task to set up the tax reporting unit (TRU) for the Labour Welfare Fund (LWF).

To set up the TRU for the LWF component:

Note: Manage Implementation Project List > **Manage Legal Reporting Unit HCM Information**

1. Set the scope for this task by selecting the parent Legal Entity and then the Legal Reporting Unit, as described in previous tasks.
2. On the Manage Legal Reporting Unit HCM Information page, select the Labour Welfare fund TRU and click **Apply and Go To Task**.
3. On the Tax Reporting Unit Details page, select **Correct** option in **Edit**.

4. For TRU of type Labour Welfare fund, click **Labour Welfare Fund** and enter the required information:

Field	Description
Registration Number	Enter your organization Labour Welfare Fund Registration Number.
State or Union Territory	Select the State or Union Territory. The employee and employer contribution amount to LWF varies based on your selection of the state or union territory from the list.

5. In the Labour Welfare Fund Representative Details section, select the **Employer Representative** who's at supervisor level, from the list.
6. Save the LWF TRU information.

Set Up Tax Reporting Unit for National Pension Scheme

Use the Manage Legal Reporting Unit HCM Information task to set up the Tax Reporting Unit (TRU) for the National Pension Scheme (NPS).

To set up the TRU for the National Pension Scheme (NPS) component:

> **Note: Manage Implementation Project List** > **Manage Legal Reporting Unit HCM Information**

1. Set the scope for this task by selecting the parent Legal Entity and then the Legal Reporting Unit, as described in previous tasks.
2. On the Manage Legal Reporting Unit HCM Information page, select the National Pension Scheme TRU and click **Apply and Go To Task**.
3. Edit the TRU of type NPS by selecting the **Correct** mode.
4. For TRU of type NPS, click **National Pension Scheme** and enter the required information:

Field	Description
Corporate Registration Number	The 7 digit registration number allotted by CRA to a corporate head office at the time of registration.
Corporate Branch Office Number	The 7 digit number allotted by CRA to a corporate branch office.
Organization Type	Select the organization type such as: ◦ Central government sector ◦ State government sector ◦ Corporate sector.
NPS Employer Contribution Percentage	Specify the employer contribution percentage to NPS ◦ For central government employees: Eligible for tax deduction up to 14% of salary (Basic + DA) contributed by employer in section 80 CCD (2) which is over and above the limit of Rs.1.5lac provided in section 80 CCE.

Field	Description
	◦ For state government and private sector employees: Eligible for tax deduction up to 10% of Salary (Basic + DA) contributed by employer in section 80 CCD (2) which is over and above the limit of Rs.1.5lac provided in section 80 CCE.
NPS Employee Contribution Percentage	Specify the employee contribution percentage to NPS. Employees contributing to NPS are eligible for tax deduction up to 10% of salary (basic + DA) in section 80 CCD (1), within the overall ceiling of Rs.1.5lac in section 80 CCE.
POP Name	The Point of Presence service provider name.
POP Address	The Point of Presence service provider address.

5. Submit the NPS TRU details.

Payroll Relationships

Payroll Relationships

A payroll relationship represents the association between a person and a payroll statutory unit (PSU), which is the legal entity responsible for employee payment. Payroll relationships group a person's employment assignment records based on the payroll statutory calculation and reporting requirements.

Payroll relationships ease to collect and extract the HR and payroll-related data sent to a third party, such as a payroll provider for payroll processing. Payroll processing always occurs at the payroll relationship level. When you display the payroll process results for a person, select the person's payroll relationship record and then drill down to view the details.

Payroll relationships aggregate balances at the payroll relationship level. Within a payroll relationship, payroll processes can aggregate balances for multiple assignment records. Balances don't span payroll relationships.

Create Payroll Relationship Records

For the rehire process to automatically create a payroll relationship record, keep in kind that you must have a mapping between the system person type and the payroll relationship type. This table shows the payroll relationship type values that are supported.

Payroll Relationship Type	Description
Standard	Person types mapped to this payroll relationship type are included in payroll runs.
Element Entry Only	Person types mapped to this payroll relationship type have only element entries created for them and are excluded from payroll processing.

Relationship mapping rules, which map system person types to payroll relationship types, can vary by country or territory. This table shows the mapping between system person types and payroll relationship types that are applicable for India. Nonworker Unpaid type is excluded from payroll processing.

System Person Type	Payroll Relationship Type
Employee	Standard
Nonworker	Element Entry Only
Nonworker Paid	Standard
Contingent Worker	Element Entry Only

The mapping rules are predefined for legislations provided by Oracle. Remember that you can't create your own payroll relationship types; use just the predefined values.

A payroll relationship can't end while there are active employment assignments. When all employment assignments are ended for a payroll relationship, it could either remain active or become end dated. It depends on the legislation and the payroll relationship rules applicable for the legislation. Let's look at this scenario:

- A payroll relationship is created for each person type.
- For a relationship that gets terminated, a new payroll relationship is created within the same payroll relationship and PSU, for the rehire.

Employee Management

Hiring a Worker

You can setup the employee data in the application, after the setup of the organizational and workforce structures is complete.

To perform tasks related to a person and employee management, you can sign in to the application using the role of a functional user, such as Human Resources Specialist, rather than a member of the implementation team.

> **Note:** The other supported person types include:
> 1. Contingent Worker
> 2. Nonworker
> 3. Pending Worker
>
> These roles are supported only for the HR and Payroll Interface scenarios for India.

To hire an employee:

Note: Navigator > **My Client Groups** > **New Person** > **Hire an Employee**

1. Enter the required basic and personal details for the employee and proceed next.
2. Select the information you want to manage as part of the new hire process and proceed. You needn't add all this information as part of the hiring process. You can also add and update the information, when maintaining the person record that's created after the hiring process is completed. See Maintaining Person and Employment Information for further details.
3. Here are the following considerations, in the **When and Why** page:

Field	Action
Why are you hiring an employee?	Select a valid action reason from the list defined in the hire action.
Legal Employer	Select one of the Indian legal employers you set up before
Name Style and Address Style	A predefined styles for India, based on the India Legal Employer you've selected.
Gender	This includes the India-specific value **Transgender** in addition to **Male** and **Female**.
National Identifier	Includes a predefined type **Permanent Account Number** for India localization.
Personal Details	Enter the employee’s name, gender, birth details, and national identifier details.
Communication Info	Enter the phone and email ID of the employee.
Addresses	Enter the address details for the new employee. You need to enter an address, which needs to conform to the predefined India address format.
Legislative Info	◦ Enter the **Marital Status** , **Religion** and **Highest Education Level** of the new employee. ◦ Specify if the employee Permanent Account Number is an **Inoperative PAN** or not. If this is set to **Yes**, the income tax is calculated at a higher rate.
Passport Info	Enter all passport details for the new employee. ◦ For India, the **Regular Passport Type** has been predefined. This is an extensible lookup so you can add other passport types if required. ◦ Capture the following additional information for a passport: i. Name as in Passport ii. ECNR (Emigration Clearance Not Required) Required
Citizenship Info	Add the **Driver’s Licenses** and **Visa and Permits** details here.
Family and Emergency Contacts	Add information about the employee contacts in this task; the **Guardian** information, if the new contact is a minor. Specify if a contact is an emergency contact and submit the details.

Field	Action
Employment Information	Provide the required information. Once all information for the new employee has been provided, submit the employee information.

Results:

A new employee record is generated with a person number in the HCM Cloud.

Manage Person and Employment Information

You can change the person and employment information and add more details not captured in the new hire process.as needed.

Add the birth and disability information that can't be entered in the new hire process, which needs to be entered and maintained in the Person Management transaction.

Manage Person Information

Here's how you can add the person information:

Note: Navigator > **My Client Groups** > **Personal Details**

1. Search for and select the person record.
2. View the person information in the different regions. Add new information or change the personal information added earlier.

Field	Description
Name	Enter the employee's name details: ◦ Title ◦ First name ◦ Middle Name ◦ Last Name
Demographic Info	Enter the demographic information such as: ◦ Religion ◦ Marital Status ◦ Gender ◦ Highest Education Level
National Identifiers	◦ Permanent Account Number
Biographical Info	◦ Date of birth ◦ Date of Death

Field	Description
Disability Info	Add the disability details Select **India** in **Country** and enter the relevant information. **Note:** ◦ The list of categories is predefined for India ◦ You can attach the disability certificate Complete all relevant disability information and click **Submit**.
Add Additional Information	Enter more country-specific person information using the **Additional Person Info** task. Search for the person and choose **India Miscellaneous Information** and click **Add** to capture the following information ◦ Community ◦ Caste ◦ Height ◦ Weight ◦ Ex-Service Person (Yes/No) ◦ Residential Status ◦ PAN Reference Number (if the person has no PAN Number but has applied for one)
India Nomination Information	Enter the nomination details for different types of benefits, such as PF, Gratuity, and Superannuation.

Manage Contacts

Here's how you can maintain the contact information for the employees:

Note: Navigator > **My Client Groups** > **Family and Emergency Contacts**

1. Search for and select the person you want to add the dependent for.
2. To add a dependent:
    - Choose **Select a person as a contact** to add an existing person as contact. Capture the details and submit.
    - Or, select **Create a new contact** and add the new contact information.
3. Manage the contact details using **Contact Info** task.
4. Maintain the details about passports, citizenship, driver's licenses, and visa and permits, using the **Identification Info** task.
5. Update all the above information by choosing **Person** task in **My Client Groups**.
6. Search the person you want to change the information for. Select each tab to enter and update different information. Save the details.

Manage Employment Information

Here's how you can maintain the employment information:

> **Note: Navigator** > **My Client Groups** > **Person Management**

1. Select to update or correct the information.
2. Select the reason for correcting or updating the information.
3. Enter or change different employment information in the **Employment Terms** tab.
4. Enter and update assignment information using the **Assignment** tab.
5. Complete and save the details.

Terminating a Worker

When a person's employment ends, the work relationship needs to be terminated.

To terminate a work relationship:

> **Note: My Client Groups** > **Employment** > **Terminate Employment**

1. Search the person for whom you want to terminate the work relationship.
2. On the **Terminate Employment** page, enter the details of the termination, including the termination reason here:
    - When and why
    - Work relationship termination info
    - Assignment info
    - Seniority info.
3. Submit the termination.